

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Twelfth Annual Report and Analysis of)	WT Docket No. 07-71
Competitive Market Conditions with Respect)	
to Commercial Mobile Services)	
)	

COMMENTS OF THE SATELLITE INDUSTRY ASSOCIATION

The Satellite Industry Association (“SIA”) submits the following comments in the above-captioned proceeding in which the Wireless Telecommunications Bureau (“Bureau”) seeks data and information in order to evaluate the state of competition among Commercial Mobile Radio Services (“CMRS”) providers in connection with its preparation of the *Twelfth Annual Report and Analysis of Competitive Market Conditions with Respect to Commercial Mobile Services* (“*Twelfth Annual Report*”).^{1/}

Background

SIA. SIA is a U.S.-based trade association providing worldwide representation of the leading satellite operators, service providers, manufacturers, launch services providers, remote sensing operators, and ground equipment suppliers. SIA is the unified voice of the U.S. satellite industry on policy, regulatory, and legislative issues affecting the satellite business.²

^{1/} See *WTB Seeks Comment on CMRS Market Competition*, DA 07-1652, WT Docket No. 07-71 (April 6, 2007) (“*Public Notice*”).

² SIA Executive Members include: Arrowhead Global Solutions Inc.; Artel Inc.; The Boeing Company; Datapath, Inc.; The DIRECTV Group; Globalstar, Inc; Hughes Network Systems LLC; ICO Global Communications; Integral Systems, Inc.; Intelsat, Ltd.; Iridium Satellite LLC; Lockheed Martin Corp.; Loral Space & Communications Inc.; Mobile Satellite Ventures LP; Northrop Grumman Corporation; SES Americom, Inc.; and TerreStar Networks Inc.; and Associate Members include: ATK Inc.; EchoStar Satellite LLC; EMC Inc.; Eutelsat Inc.; Inmarsat Inc.; IOT Systems; Marshall Communications Corp.; SES New Skies; Spacecom Corp.; Stratos Global Corp; and SWE-DISH Space Corp.

Public Notice. On April 6, 2007, the Bureau issued a Public Notice soliciting data and information to assist in the preparation of the *Twelfth Annual Report*.^{3/} Among other issues, the Bureau seeks input regarding the state of competition in the provision of CMRS services and how competition among CMRS providers varies across the United States, in particular between rural and urban areas.^{4/} In addition, the Bureau solicits comment on the current provision of CMRS by MSS carriers, including the extent to which MSS services function as a substitute for terrestrial CMRS services.^{5/}

Discussion

Satellites, including MSS satellites, are a vital component of the nation's communications marketplace.^{6/} Satellites are located thousands of miles above the earth, rendering satellite networks substantially less susceptible to ground-based disasters than terrestrial networks, thus providing a source of instant infrastructure when terrestrial wireless, wireline, and other forms of communication fail. Given their extensive coverage areas, satellites are also particularly effective in providing mobile wideband and narrowband communications, including to the most rural and remote areas of the nation's land mass. Such broad coverage also enables satellites to interconnect widely distributed networks and to provide broadcasting services over very wide areas. In addition, satellites provide connectivity for the "last mile" in cases where fiber networks are simply not available for interactive services.

^{3/} *See Public Notice.*

^{4/} *Id.* at 4.

^{5/} *Id.*

^{6/} These comments are limited to current MSS offerings. SIA takes no position concerning MSS systems that in the future offer services that include an ancillary terrestrial component.

The Commission has repeatedly recognized that MSS carriers are uniquely suited to serving rural portions of the United States.^{7/} MSS carriers have fulfilled this vision, providing what often is the only means by which customers in rural and remote areas can obtain voice, data, broadband, and other wireless services. Indeed, because of simple economic forces, terrestrial CMRS providers to date often have failed to serve such areas, and so without MSS carriers, vast areas of the nation would remain unserved or underserved. Today, customers in rural and remote areas are able to directly access MSS satellites with their terminals from any point with a clear line-of-sight to a satellite, without the need for costly terrestrial infrastructure. In large areas of the United States land mass, satellites, including MSS satellites, are the only source of broadband service.

Satellites also play an essential role in disaster recovery and remote connectivity for first responders and other emergency service providers. This fact was made evident in the aftermath of the 2004 and 2005 hurricanes, when MSS systems remained intact and served as the primary, if not the only, communications link for many federal and state agencies operating in the affected regions. The growing recognition of the value of MSS systems is due to the fact that such systems are unaffected by disasters that disrupt terrestrial communications because they rely on satellites that are positioned hundreds of miles above the earth's surface. This makes MSS an excellent means of ensuring redundant, reliable, ubiquitous communications capability during

^{7/} See, e.g., Establishment of Policies and Service Rules for the Mobile Satellite Service in the 2 GHz Band, *Report and Order*, 15 FCC Rcd 16127, ¶ 35 (2000) (“[W]e believe satellites are an excellent technology for delivering basic and advanced telecommunication services to unserved, rural, insular or economically isolated areas[.]”); Extending Wireless Telecommunications Services To Tribal Lands, *Report and Order and Further Notice of Proposed Rulemaking*, 15 FCC Rcd 11794, ¶ 13 (2000) (noting that satellites “provide communications opportunities for communities in geographically isolated areas, such as mountainous regions and deep valleys, where rugged and impassable terrain may make service via terrestrial wireless or wireline telephony economically impractical”).

times when terrestrial wireless and wireline networks fail. In addition, MSS carriers offer ubiquitous coverage using satellite capacity that can be dynamically reassigned to facilitate communications in geographic areas impacted by a disaster. MSS services thus have been embraced by first responders, emergency service providers, the military, and many other federal, state, and local agencies as a necessary component of their communications systems on a day-to-day basis and during times of emergency.

Notwithstanding the significant benefits that MSS services bring to rural customers and first responders, current MSS systems cannot provide the same coverage as terrestrial providers in some markets. In urban areas, MSS satellite signals typically are blocked by buildings and other man-made structures, such that their services are usually unavailable much of the time. Indeed, as the Committee on Homeland Security and Government Affairs has recognized, one of the primary impediments to the full utilization of satellite phones by first responders on the scene of natural disasters and other emergencies in urban areas has been the fact that buildings and other structures can block the satellite signal.^{8/} To date, because of these inherent limitations on MSS carriers' ability to provide service in urban areas, MSS providers have been unable to develop the critical mass of customers necessary to reduce per-customer rates, equipment costs, and handset size to levels that are competitive with terrestrial CMRS providers. Thus, although MSS providers continue to adopt innovative technologies to make their equipment more user friendly and cost effective, the current MSS services and products nevertheless remain harder to

^{8/} See "Hurricane Katrina: A Nation Still Unprepared," Report of the Committee on Homeland Security and Governmental Affairs, United States Senate, Washington, DC, at 329 (2006) available at http://hsgac.senate.gov/_files/Katrina/FullReport.pdf. ("The problems with satellite phones [used in the aftermath of the storm] do not appear to have been caused by the phones themselves or the satellite networks; rather, a combination of user error *and buildings or other objects obstructing satellite signals are the more likely culprits.*").

use and more expensive than the products offered by terrestrial CMRS operators.^{9/} For these reasons, the current service offerings of MSS providers typically focus on a different market segment than terrestrial mobile services.

Conclusion

Although today's MSS offerings focus on a different part of the market than terrestrial CMRS carriers, SIA applauds the Commission for recognizing the increasingly important role that MSS plays in meeting the communications needs of public safety entities and consumers alike.

Respectfully submitted,

Respectfully submitted,

SATELLITE INDUSTRY ASSOCIATION

A handwritten signature in dark ink, appearing to read "David Cavossa", with a stylized flourish at the end.

David Cavossa, Executive Director

1730 M Street, NW

Suite 600

Washington, D.C. 20036

May 7, 2007

⁹ Some MSS operators are submitting by separate filing specific data concerning their pricing plans, number of subscribers, and minutes of use.